CMG Fleet Card

Program Mgmt Review

24NOV03

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Agenda

- Purpose, Advantages & Types of Cards
- Key Roles
- IT Systems
- Process Flow
- Program Statistics
- Audit Update
- Issues / Concerns
- Initiatives
- History

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Purpose, Advantages and Types of Cards

- Purpose:
  - Method to pay for fuel and maintenance of DoD owned / leased vehicles
- Advantages:
  - DESC tax recoup
  - Minimal rebates
  - Capture of maintenance details
- Types of Cards
  - Fuel Only Card
  - Fuel + Maintenance/Service Card
  - Cards are Assigned to:
    - Vehicle - 29,388
      - Vehicle used by more than one driver
    - Organization - 3,551
      - Organizations may assign a particular card to a driver
      - May also be assigned to more than one vehicle or driver

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Key Roles

- US Bank – since 30 November 1998
  - Voyager and Visa are card providers
- DoD Program Manager - Defense Energy Support Center (DESC)
  - Provide DoD and others with comprehensive energy solutions
  - Negotiate fuel contracts; receive rebates; recoup taxes
- Naval Operational Logistics Support Center (NOLSC)
  - Interfaces w/DESC regarding system/technical issues regarding the Navy fuel and accounting systems (FAS/Stars)
  - Formerly NAVPET
- NAVFAC was CPM for Navy until Oct 1, 2003

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IT Systems

- Voyager Fleet Commander
  - Transaction data, reports, and ad hoc query tool
  - Screening for abuse/misuse
  - Status of Upgrade: MAC submitted, waiting for installation
  - Web-based Target Date is May 04
- Account Commander on-line
  - On-line account management tool
  - Account, card, POC maintenance
  - Data/Report Cdr – May 04 Target Date
- DESC Fuels Automated System (FAS) Enterprise System
  - Billing information
  - Weekly account files
  - Used to bill end-user directly via DFAS Columbus

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How does the process work?

- Card user presents Fleet Card for fuel and maintenance/services
- Voyager splits out fuel purchases from non-fuel charges
- Voyager bills customer direct for non-fuel items/services
- Voyager bills DESC for fuel purchases
- DESC pays the bank for fuel and bills activities via FES
- Activities pay for non-fuel charges (certified manually)

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Program Statistics Overview

October 2003	FLEET	PURCHASE	TRAVEL
Card Program	Voyager / VISA	Master Card	VISA
# Card Users/ # Cardholders	29,917	18,097	218,625
# Accounts	713	20,705	218,625
Charge Volume	Fuel $534,088 Non $52,236 Total $586,324	$198.8M	$28.6M
60+ Day Delinquency	$15,529	$173,422	$2.7M
# APCs	501	2,527	4,668
# Transactions	20,918	417,523	384,456
Credit Exposure	$22.4B	$8.6B	$974.2M

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29 SEP 03 Audit Update

- NAVAUD Recommended Actions — Status
  - Develop & issue Navy Instruction 04 — 30 MAR
    - NAVFAC & EBUSOPSOFF
  - Develop APC Training — 30 SEP 04
    - NAVFAC & EBUSOPSOFF
  - Develop Card User Training — 30 SEP 04
    - NAVFAC & EBUSOPSOFF
  - Issue interim guidance to re-emphasize the NAVFAC P-300 requirement regarding the purchase of regular-octane grade gasoline. — 31 DEC 03
    - NAVFAC

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Issues / Concerns

- Unstructured Hierarchy
  - Lack of structure/oversight
- Voyager Access
  - NMCI issues
  - Field implementation
- Voyager APC / User Data Incomplete & Out of Date
- Credit Exposure
  - Some cards with out limits
  - Limits not based on spend
- Inactive / Infrequently Used Cards
  - No control

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Initiatives

- Proposed hierarchy structured being developed
  - Input to date from DESC / CNI / NAVFAC
  - Identify and meet with other big players
  - Finalize hierarchy and provide to bank
- Voyager Access
  - Old version NMCI approved
  - Upgrade 6-9 months for NMCI approval
- Voyager POC data
  - Verification & update in progress
  - 211 out of 501 completed
  - Voyager mod request (email field)
- Credit Exposure: $22.4B
  - Tie to actual spend patterns
- Infrequently Used Cards: FY03 – 2,451
  - Identify / review and close cards

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Initiatives [cont'd]

- Develop Instruction / Internal Controls
  - Review spend limits and identify appropriate actions
  - Review delinquencies and identify appropriate actions
  - Review span of control and identify appropriate actions
  - Review infrequently used cards and identify appropriate actions
- Develop Role-based Training (APC, Card User, Certifying Official)
- Partner with DESC on eFleet
- Improved Communications
  - Quarterly PMR with US Bank/Voyager/DESC
  - Monthly APC conference call
  - Coordinate FedFleet conference Navy breakout sessions
  - Coordinate GSA Smartpay conference Navy breakout sessions

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History

- Phase I (prior to 1/97)
  - U.S. Government National Credit Card (SF-149) issued by GSA / DESC let the contracts to service stations
  - Not accepted at all locations, those under contract
- Phase II (1/97 to 11/98)
  - Wright Express Card (WEC) replaced SF-149
  - Good for all vehicle services, accepted at most fuel stations
- Phase III (11/98 to present)
  - GSA Master Contract replaced WEC
  - Multiple vendor award, each agency to decide vendor
  - DESC lead for DoD selected Voyager/U.S. Bank